

PATENT
Docket No. EMT-001

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE:
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES**

APPLICANTS: *Li et al.*

APPL. NO.: 09/664,226 ART UNIT: 3624

FILING DATE: September 18, 2000 EXAMINER: Colbert, Ella

TITLE: Auction Management

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SUPPLEMENTAL REPLY BRIEF

STATUS OF CLAIMS

The application as filed contained 53 claims, and in an amendment filed on March 22, 2004, Appellants cancelled claim 53. Claims 1–52 remain pending, have been rejected, and are the subject of this appeal.

GROUNDS FOR REJECTION TO BE REVIEWED ON APPEAL

This reply brief is submitted pursuant to 37 C.F.R. § 41.41 in reply to the Supplemental Examiner's Answer of July 21, 2009 (the "Supplemental Answer"). In particular, this brief addresses the following points:

1. The allegation that *Shkedy* anticipates pending independent claims 1 and 27.
2. The allegation that portions of the "Summary of Claimed Subject Matter" are unsupported by the application.

For the reasons that follow, we respectfully submit that claims 1 and 27 are patentable over the *Shkedy* reference, which fails to anticipate claims 1 and 27 or the claims that depend therefrom, and that the "Summary of Claimed Subject Matter" is supported by the application.

ARGUMENT

A. Shkedy Fails to Teach the Use of Non-Price Criteria Either in an Objective Function or in the Determination of an Optimal Award Schedule

Applicants' Amended Appeal Brief argued, in part, that *Shkedy* neither teaches nor suggests: (1) the use of non-price criteria in an objective function, or (2) the use of non-price criteria in the determination of an optimal award schedule.¹ In particular, the Brief argued that while *Shkedy* allows prospective buyers to specify non-price criteria, such as a quantity, a pool date, and an outside delivery date,² *Shkedy* does not appear to teach that a prospective seller may provide bids that do not conform to these non-price criteria, or how to weigh a prospective seller's non-conforming non-price criteria against a bidden price, which embodiments of the present invention resolve using an "objective function."³ Since *Shkedy* does not teach how to weigh and resolve bids with non-price criteria, it cannot teach the determination of an optimal award schedule using non-price criteria.

The third Supplemental Answer argues for the first time that the specification does not define an "objective function" for one having ordinary skill in the art, and therefore the element is to be given its "broadest reasonable interpretation."⁴ Under this interpretation, *Shkedy* is said to teach an objective function and non-price criteria at col. 2, ln. 10-34.

First, as was first argued in the Response filed on April 1, 2005, the "objective function" is discussed throughout the specification at paragraphs [0143]-[0185]. This portion of the specification clearly discloses several multivariable functions that are minimized using an optimization engine.

¹ Amended Appeal Brief at pgs. 7-8.

² *Shkedy* at col. 5, ln. 13-16.

³ *Id.*

⁴ Third Supplemental Answer at 15.

Moreover, the Manual of Patent Examining Procedure makes clear that the “broadest reasonable interpretation” is the “meaning that the term would have to a person of ordinary skill in the art in question at the time of the invention” as evidenced, for example, by a dictionary.⁵ The McGraw-Hill Dictionary of Physics and Mathematics, certain editions of which predate the filing of the instant application by some twenty years, defines an “objective function” as “In nonlinear programming, the function, expressing given conditions for a system, which one seeks to minimize subject to given constraints.”⁶ Not only does the Supplemental Answer fail to disclose the Examiner’s “broadest reasonable interpretation” of the term “objective function,” but there is no argument or evidence that interpretation bears any relationship to what the term would mean to one of ordinary skill.

Second, this argument demonstrates that our arguments raised in the Appeal Brief have been misunderstood. The issue is not whether *Shkedy* teaches an objective function but, as is clearly argued at pages 7-8 of the Appeal Brief, whether *Shkedy* teaches “an objective function including non-price criteria,” as is required by independent claims 1 and 27. It does not. The cited portions of *Shkedy* do not teach an “objective function including non-price criteria.” They discuss bulk purchases of goods to reduce price, using K-Mart as an example. This has nothing to do with the claimed invention.

As *Shkedy* does not teach an objective function including non-price criteria, it cannot teach the use of that objective function to select a subset of suppliers and determine an optimal award schedule utilizing the selected suppliers, as is also required by independent claims 1 and 27.

⁵ MPEP § 2111.01(III)

⁶ McGraw-Hill Dictionary of Physics and Technology at 689 (1978), a copy of which is attached hereto as Exhibit A.

The pending rejections and the Answer allege that *Shkedy* anticipates pending independent claims 1 and 27 under 35 U.S.C. § 102(b). If this is the case, then it is the Office's burden to demonstrate the presence of all of the elements of those claims in the *Shkedy* reference.⁷ If it cannot do so, then Applicants are entitled to the allowance of the pending claims. If *Shkedy* does not anticipate independent claims 1 and 27, then claims 1 and 27 and the remaining claims that depend therefrom are allowable as well.

B. The "Summary of Claimed Subject Matter" is Supported by the Application

The Examiner's third Supplemental Answer argues for the first time certain features of the claims are unsupported by the application.⁸ As the Supplemental Answer does not comply with 37 C.F.R. § 41.39(b), we assume that this is not a new grounds of rejection and assume instead that it is an objection to the "Summary of Claimed Subject Matter" as filed in the Amended Appeal Brief.

The Answer appears to take issue with the support identified for three claim limitations in the "Summary of Claimed Subject Matter": (1) "the buyer provides an objective function including non-price criteria," (2) "[t]he objective function is used to determine an optimal award schedule that includes a list of selected suppliers from the set of candidate suppliers and information indicative of the manner in which each of the selected suppliers is to satisfy (at least in part) the requisition," and (3) "a computer-readable media having encoded thereon software for determining an optimal award schedule for at least partial satisfaction of a requisition."

Regarding, "the buyer provides an objective function including non-price criteria," the application clearly discloses that a buyer specifies buyer constraints that form an objective

⁷ *In re Boe and Duke*, 184 USPQ 38, 40 (CCPA 1974).

⁸ Third Supplemental Answer at 18-19.

function that is optimized.⁹ Moreover, the application describes how those buyer constraints are used to formulate the objective function.¹⁰

Regarding, “[t]he objective function is used to determine an optimal award schedule that includes a list of selected suppliers from the set of candidate suppliers and information indicative of the manner in which each of the selected suppliers is to satisfy (at least in part) the requisition,” the application clearly includes verbatim support for this element.¹¹ Moreover, the application describes the process for determining an optimal award schedule that includes a list of selected suppliers from the set of candidate suppliers and information indicative of the manner in which each of the selected suppliers is to satisfy (at least in part) the requisition.¹²

Regarding, “a computer-readable media having encoded thereon software for determining an optimal award schedule for at least partial satisfaction of a requisition,” the application clearly discloses that certain embodiments of the present invention take the form of “auction management software.”¹³ One of ordinary skill in the art understands that software is, by definition, implemented in a computer-readable medium, such as the computer-readable memory contained in the disclosed server computer 12 executing the auction management software 18.¹⁴

⁹ Application at pg. 10, ln. 8-13.

¹⁰ Application at pg. 26, ln. 1-3, ln. 21-24, pg. 28, ln. 13-pg. 31, ln. 22.

¹¹ Application at pg. 3, ln. 19-21.

¹² Application at pg. 27, ln. 22-pg. 28, ln. 10.

¹³ Application pg. 8, ln. 7-9.

¹⁴ *Id.*

CONCLUSION

For all of the foregoing reasons, we submit that the Examiner's rejections of claims 1-52 were erroneous, and reversal thereof is respectfully requested.

Respectfully submitted,

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